

**MINUTES**  
**SCOTTSDALE CITY COUNCIL**  
**CITY COUNCIL MEETING**  
**Monday, June 2, 2003**

**The Kiva**  
**City Hall**  
**Scottsdale, Arizona**

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**CALL TO ORDER (IN CITY HALL KIVA FORUM)**

Mayor Manross called to order the Regular Meeting of the Scottsdale City Council on Monday, June 2, 2003 in the Kiva, City Hall, at 5:05 P.M.

**ROLL CALL**

Present:

Mayor Mary Manross  
Vice Mayor Ned O'Hearn  
Council Members David Ortega, Tom Silverman, Robert Littlefield,  
Wayne Ecton, and Cynthia Lukas

Also Present:

City Manager Jan Dolan  
City Attorney David Pennartz  
City Clerk Sonia Robertson

**Pledge of Allegiance**

Vice Mayor O'Hearn led the audience in the Pledge of Allegiance.

**Invocation**

Reverend Jason Fritz, Pastor of Adult Enrichment from Scottsdale Bible Church offered the invocation.

**Boards and Commissions**

Before nominations for each commission, Vice Mayor O'Hearn briefly identified the appropriate commission and its purpose along with any special qualifications for the vacant position(s), if any.

Board of Adjustment (1)

Councilwoman Lukas nominated Terry Kuhstoss

**Terry Kuhstoss** was appointed to the Board of Adjustment by unanimous vote.

Development Review Board (1)

Natalie Lewis explained that due to the special qualifications required for this opening, Mr. Daniel Erlandson and Patricia Butler are not eligible for consideration at this time.

Councilman Ortega nominated Michael D'Andrea

**Michael D'Andrea** was appointed to the Development Review Board by unanimous vote.

### Library Board (1)

Councilman Ecton nominated Camille Schmidt

**Camille Schmidt** was appointed the Library Board by unanimous vote.

### Scottsdale Pride Committee (2)

Councilwoman Lukas nominated James Britt

Councilman Littlefield nominated Mark DeBruyckere

Councilman Ecton nominated Christina Lenko

**James Britt** and **Christina Lenko** were appointed to the Scottsdale Pride Committee by a majority vote.

### Transportation Commission (1)

Mayor Manross nominated Harold Jalonon

Councilman Silverman nominated Kelly McCall

**Kelly McCall** was appointed to the Transportation Commission by a majority vote.

## **Public Comment**

**Robert Mayhew**, 7231 E. Latham St., stated his belief that the stores proposed at Los Arcos would be good for the area and are what the neighborhood wants at the site.

**Mary Henkenius**, 7218 E. Latham St., explained that she was opposed to building an arena at Los Arcos but supports the current proposal.

**Darlene Petersen**, 7327 E. Wilshire Drive, hoped that Council moves forward on the Los Arcos project.

**Lida Stewart**, 2627 N. 74<sup>th</sup> Place, urged Council not to waste any more time and get the shopping center started at Los Arcos.

**Paul Sander**, P.O. Box 8974, expressed his belief that the proposed Los Arcos project would be a success due to the lack of other shopping, the additional housing units being built, and easy access to the site.

## **CONSENT AGENDA**

### **1. Canvass results of the May 20, 2003 special election**

**Request:** Adopt Resolution No. 6315 as the official canvass of the Special Election held Tuesday, May 20, 2003.

**Related Policies, References:** Arizona Revised Statutes 16-642-A requires that the governing body shall canvass the election not less than six days nor more than fifteen days following the election. A.R.S. 16-646 sets out the form and content of the official canvass.

**Staff Contact(s):** Sonia Robertson, City Clerk, 480-312-2754,  
[srobertson@scottsdaleaz.gov](mailto:srobertson@scottsdaleaz.gov)

**2. Land acquisition for the McDowell Sonoran Preserve**

**Request:** Adopt Resolution No. 6294 authorizing purchase in the amount of \$195,300 (\$39,000/acre) for the 5.006-acre Parcel No. 216-59-004G, located at 30435 N. 128th Street, for the McDowell Sonoran Preserve.

**Related Policies, References:** The parcel is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The acquisition of this land supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and two sub-goals under Goal B: Complete the acquisition of lands within the adopted Preserve boundaries; and Protect natural resources, open spaces and views.

**Staff Contact(s):** Robert J. Cafarella, AICP, Director, Preservation Division, 480-312-2577 ([rcafarella@ci.scottsdale.az.us](mailto:rcafarella@ci.scottsdale.az.us))

**\*\*\*3. Continued to June 16, 2003**

**Construction Bid Award for La Mirada Desert Park**

**4. Construction Contract Award for Additional Hayden Road Turn Lanes at Camelback and Chaparral**

**Request:** Authorize Construction Contract Award No. 03PB096 to S&S Paving and Construction, Inc., the lowest responsive bidder, at their total unit price bid of \$348,851.85. The proposed improvements are to be constructed at the intersection of Hayden Road and Chaparral Road and the intersection of Hayden Road and Camelback Road.

**Staff Contact(s):** Gary Talbott, Project Coordinator, [Gtalbott@scottsdaleaz.gov](mailto:Gtalbott@scottsdaleaz.gov), (480) 312 7845

**5. Engineering Services Contract for Hayden Road – Cactus to Redfield**

**Request:** Authorize Engineering Services Contract 2003-104-COS with Tri-Core Engineering in the total amount of \$1,011,126.66 for the design of roadway and drainage improvements on Hayden Road from Cactus Road to Redfield Road.

**Related Policies, References:**

- Design Concept Report – Hayden Road, Cactus to Redfield (5/22/02).
- Design Concept Report – 79<sup>th</sup> Street Outfall – East Airport Drainage (2/16/02).
- Transportation Commission Review (7/18/02).
- Proposed Master Streets Plan, 2003 Bond 2000 CIP Project

**Staff Contact(s):** Brad Wisler, Project Manager, 480.312.7626, [bwisler@ci.scottsdale.az.us](mailto:bwisler@ci.scottsdale.az.us)

**6. Contract Amendment for Preparation of Construction Contract Documents for the McDowell Mountain Ranch Park and Aquatic Center**

*Request: Amend Architectural Services Contract No. No.2001-114-COS with WeddleGilmore Architects, in the amount of \$710,319.00 to prepare the construction contract documents for the McDowell Mountain Ranch Park and Aquatic Center.*

*Related Policies, References:*

**City Council Municipal Use Master Site Plan Approval, Case 20-UP-1994 #2 (3/17/03); Planning and Zoning Commission Recommendation (11/13/02); Parks and Recreation Commission Recommendation (11/6/02); Architectural Services Contract No. 2001-114-**

**COS (8/20/01); IGA #950009 with the Scottsdale School District (6/6/95), Municipal Use Master Site Plan Case No. 20-UP-1994.**

**Staff Contact(s):** Brad Wisler, Project Manager, (480) 312-7626, [bwisler@scottsdaleAZ.gov](mailto:bwisler@scottsdaleAZ.gov)  
Judy Weiss, Parks, Recreation and Facilities Manager, (480) 312-2416, [jweiss@scottsdaleAZ.gov](mailto:jweiss@scottsdaleAZ.gov)  
Jona Davis, Aquatic Coordinator, (480) 312-8428, [jdavis@scottsdaleAZ.gov](mailto:jdavis@scottsdaleAZ.gov)

**7. Intergovernmental Agreement with Arizona Department of Transportation (ADOT) to advance a total \$3.9 million to make rubberized asphalt installation possible on the Pima Freeway within the City ahead of schedule**

**Request:** Consider adoption of Resolution No. 6290 and approve Intergovernmental Agreement (IGA) 2003-096-COS to advance to ADOT a total \$3.9 million to obtain early installation of rubberized asphalt to mitigate freeway noise. Advances of up to 1 year in installation for the four segments scheduled have been agreed upon. The \$3.9 million will not be advanced all at once. The City will advance funds as project segments are ready to be built. ADOT will repay the City advance in the fiscal year that the construction originally was scheduled, when funds legally become available to ADOT. Current estimate is that each mile of rubberized asphalt construction will cost \$325,000.

**Staff Contact(s):** Michelle Korf, Director, Transportation Master Planning, [mkorf@scottsdaleaz.gov](mailto:mkorf@scottsdaleaz.gov), 480.312.2638

Mayor Manross opened public testimony.

**JoAnn Ely**, 8613 E. Clarendon, questioned why the southern part of the freeway isn't going to be paved with rubberized asphalt before the northern part.

Mayor Manross closed public testimony.

Mr. Little explained that ADOT has plans to add auxiliary lanes in the southern part of the freeway. Due to the heavy equipment, expense, and inconvenience for commuters, ADOT wanted to complete the work at one time in the area. He noted that the project will be completed before it was originally scheduled to be completed due to tonight's action.

**8. Animal Cruelty Code**

**Request:**

1. Enact Ordinance No. 3497 Adding an Animal Cruelty Code to Chapter 4 of the Scottsdale Revised Code.
2. Adopt Resolution No. 6263 authorizing the Mayor to enter into Agreement No. 2003-029-COS, a protective animal custody agreement with the Arizona Humane Society, on behalf of the City.

**Staff Contact(s):** Marc Eisen, Emergency Services, 480-312-7999, [meisen@scottsdaleaz.gov](mailto:meisen@scottsdaleaz.gov)  
Janet Cornell, City Court, 480-312-2775, [jcornell@scottsdaleaz.gov](mailto:jcornell@scottsdaleaz.gov); Molly Edwards, CNR, 480-312-4304, [medwards@scottsdaleaz.gov](mailto:medwards@scottsdaleaz.gov); Janis Villalpando, City Attorney's Office, 480-312-2472, [jvillalpando@scottsdaleaz.gov](mailto:jvillalpando@scottsdaleaz.gov); Valerie Thomsen, City Prosecutor's Office, 480-312-7387, [vthomsen@scottsdaleaz.gov](mailto:vthomsen@scottsdaleaz.gov)

Councilman Ortega noted that item 8 is an important cooperative effort that allows for protection of animals and pets.

VICE MAYOR O'HEARN MOVED TO APPROVE CONSENT ITEMS 1-8 WITH THE EXCEPTION OF ITEM 3, WHICH WAS CONTINUED. COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED 7/0.

## Regular Agenda

### 9. 2003/04 Update of Property Tax Levy

**Request:** Receive public input relative to the proposed FY 2003/04 property tax levy and by a roll call vote, approve a motion to consider adoption of the property tax levy on June 16, 2003 in accordance with Arizona State Statutes (42-17107) and the City Charter (Article 6 Finance and Taxation, Section 7 Adoption of Ordinance Fixing Tax Rate).

**Staff Contact(s):** Craig Clifford, General Manager, [Cclifford@ScottsdaleAz.gov](mailto:Cclifford@ScottsdaleAz.gov), (480) 312-2364; Art Rullo, Budget Director, [Arullo@ScottsdaleAZ.gov](mailto:Arullo@ScottsdaleAZ.gov), (480) 312-2435

Craig Clifford explained that this public hearing regarding Scottsdale Property Tax is being held in accordance with the state statute to solicit public testimony on the proposed fiscal year 2003/04 property tax levy. He noted that property tax in Arizona is comprised of a primary and secondary levy. The primary levy supports general operations (tax rate from \$.51 to \$.48) while the secondary levy (tax rate \$.65 to \$.64) is restricted to pay for debt service on voter approved general obligation bonds. He explained that citizen tax bills would reflect a combined City of Scottsdale property tax of \$1.12 per \$100 of assessed value.

Mr. Clifford presented the following information.

#### **Proposed 2003/04 - Property Tax Levy**

- \$42.7 Million to support proposed 2003/04 budget
  - Combined tax rate = \$1.12 per \$100 assessed value
- Primary Tax Levy - \$.48 primary tax rate
  - \$16.6M for General Fund expenditures
  - \$.6M for Self-Insurance Fund
  - Primary tax values increased an average of 5.7%
- Secondary Tax Levy - \$.64 secondary tax rate
  - \$25.5M for Debt Service on voter-approved General Obligation Bonds

In response to questions from Councilwoman Lukas, Mr. Clifford explained that the figures for primary tax levy that were included in Council's packet were a result of an earlier draft. The numbers as listed above are the corrected figures.

Mayor Manross noted that there are no public comment cards that were received on this item. She then clarified that the city's portion of the property tax bills that citizens receive is very small. The largest percentage of the total amount of the tax bills is for school districts, community college districts, etc. Mr. Clifford explained that the city's tax portion on any tax bill amounts to about 10% of the total.

Councilman Ortega mentioned that Scottsdale is more dependent on sales tax generation than it is on property tax generation. He stated that property tax amounts to only about 6% of the city's operating budget.

COUNCILMAN ORTEGA MOVED TO ADOPT THE PROPERTY TAX LEVY ON JUNE 16, 2003 IN ACCORDANCE WITH ARIZONA STATE STATUTES (42-17107) AND THE CITY CHARTER (ARTICLE 6 FINANCE AND TAXATION, SECTION 7 ADOPTION OF ORDINANCE FIXING TAX RATE). COUNCILWOMAN LUKAS SECONDED THE MOTION WHICH CARRIED BY A ROLL CALL VOTE. ( N.O., D.O., C.L., M.M., T.S., W.E., AND R.L. VOTED AYE).

**10. Solicit public testimony on the FY 2003/04 Program and Capital Improvement Plan and,  
Adopt Ordinance No. 3513, the Final Budget estimates for FY 2003/04.**

*Request: The City Council receives public input relative to the Proposed FY 2003/04 Operating Budget and Capital Improvement Plan, and adopts the Final Budget estimates in accordance with Arizona State Statutes and the City Charter.*

**Staff Contact(s):** Craig Clifford, General Manager, [CClifford@ScottsdaleAz.gov](mailto:CClifford@ScottsdaleAz.gov), (480) 312-2364,  
Art Rullo, Budget Director, [ARullo@ScottsdaleAZ.gov](mailto:ARullo@ScottsdaleAZ.gov), (480) 312-2435

Mr. Clifford noted that the fiscal year 2003/04 presented a difficult challenge for the city since staff had forecasted a deficit between \$12-15 million dollar. He presented a brief slide presentation that has been summarized below.

**FY2003/04 Proposed Budget**

•Issues:

- Decreasing or flat revenue forecast
- Need to absorb increasing operating costs
- Considerable uncertainty about the future

•Objectives:

- Continue to invest in our community
- Minimize the service impacts to our citizens
- Maintain service productivity

**FY03/04 Proposed Budget-  
Public Outreach**

- Previous workstudy sessions: 3/31, 4/7 & 4/14
- Citizen Budget Review Committee report: 5/5
- Arizona Republic Insert – Wednesday, April 30th
- [www.ScottsdaleAz.gov/finance](http://www.ScottsdaleAz.gov/finance) - web site
- On service counters at City Hall, Libraries, & Citizen Service Centers
- Public Hearings
  - First Public Hearing - May 6
  - Tentative Adoption - May 19
  - Final Adoption - June 2

Mr. Clifford noted that the tentative budget adopted by Council on May 19, 2003 included changes from the preliminary draft budget. The revisions included: 1) the general fund operating contingency was increased from \$1.5 to \$2.5 million, which was to be funded by a combination of proposed fee increases of approx. \$600,000 and approx. \$400,000 of unreserved fund balance, 2) the property tax rate would be

set at \$1.12 for \$100 of assessed value, 3) Culture Quest funding would remain at \$770,000, 4) transit option 2 would be included in the budget, and 5) the WestWorld covered walkway capital project was restored at \$577,000. The updated proposed balanced budget being considered for final adoption totals \$850 million. It consists of the operating budget of \$326.5 million, the capital improvement plan of \$495 million, and grants and trust activity at \$28 million. In addition, \$27.9 million of budget authorization for contingencies and reserves is included in a legal appropriation, although each occurrence would require Council approval.

Mayor Manross opened public testimony.

**Ingrid Quinn**, 12776 N. 114<sup>th</sup> Street, questioned the elimination of the D.A.R.E. program in the Police Department. She explained that her children had good experiences through the program. She expressed her belief that the program was worthwhile if it positively influenced even one child. She urged Council to consider continuing the program.

Mayor Manross explained that the decision to discontinue the program was based on a review of all the programs offered by the city to determine their effectiveness. At the national level, the D.A.R.E. organization is looking at their program since studies have indicated that the program has not been effective over the long-term. She noted that the city would be following their progress closely.

Ms. Dolan explained that the actual cost for the D.A.R.E. program was over \$350,000 annually. She noted that the city added \$40,000 to the money that was allocated for the D.A.R.E. program to redeploy the seven officers into a repeat offender program.

Councilman Ortega explained that he shares Ms. Quinn's concern over the elimination of the D.A.R.E. program. He suggested that perhaps the firefighters could have a strong presence in the community by working with the schools.

Councilwoman Lukas also expressed concern regarding the elimination of this program since it is important to children and their parents. She assured everyone that Council would watch the revamping of the program closely and review creative financing to possibly reinstate the program in the coming years.

**Norwood Sisson**, 7431 E. Portland, questioned if the city is receiving cost reimbursements from the various redevelopment agreements it has signed with developers.

**Sam West**, 8160 N. Hayden, J-210, questioned the number of redevelopment agreements the city signed that allow redevelopers to recover some of their costs through sales tax. He also wondered if the impact on the sales tax from the redevelopment agreements has been accounted for in the proposed budget. He then asked if staff had a total figure available illustrating the impact the performance-based agreements have on the budget.

Ms. Dolan explained that, if the reference is pertaining to the currently proposed Los Arcos project, there has not been a redevelopment agreement signed as of yet. Therefore, it has not been accounted for in this budget. She noted that any currently signed agreements have been accounted for in the budget. She explained that staff does not have the figures available at this time but would supply the information to Mr. West.

**Lyle Wurtz**, 6510 E. Palm Lane, explained that he still has a lot of reservations about what he referred to as "fluff" and "over-spending" on pet projects or job retention. He reminded everyone of the expenditures that were questioned by the Citizen's Budget Review Committee. He questioned how the



figures were calculated that indicate the rate of return on the city dollars that are spent on tourism programs. He also questioned if the city has placed contingencies in the budget based on Rural Metro's deteriorating financial condition.

Mayor Manross closed public testimony.

Councilman Ortega pointed out that it is important that the state holds the line on revenue sharing. At the same time, he expressed concern over what he called "revenue leakage" possibly caused by subsidies. He explained that it is important that the city preserve every tax dollar it can.

Mayor Manross stated that it looks like the state will keep the revenue sharing dollars in tact this year; however, noted that next year is uncertain. She assured citizens that a petition that was received from citizens during public testimony encouraging the city to pave the 101 as quickly as possible would be placed in the public record.

Councilman Ecton was happy to report that most of the suggestions that the public, the budget committee, and Council made regarding the budget were responded to in a favorable manner. He noted that he was pleased and wanted the public to know that the process works. He felt it is important to point out that the operating budget is \$20.6 million less than what was forecasted a year ago with an approximately \$10 million reduction in debt service. Most of the remaining cost projection was reduced through staff's efforts. He pointed out that the budget reflects sacrifices both by personnel and in public services while the city is learning to work smarter. He stated that, although it sometimes seems like the city is not paying attention to various suggestions, there are often good reasons the city cannot take certain actions including legal reasons, lack of funds, lack of personnel, etc.

**COUNCILMAN ECTON MOVED TO ADOPT ORDINANCE NO. 3513, THE FINAL BUDGET ESTIMATES FOR FY 2003/04. COUNCILMAN SILVERMAN SECONDED THE MOTION.**

Councilman Silverman thanked everyone for their hard work during the budget process. He noted that he was pleased with the changes the city was able to add back into the city's transit services. He explained that he is optimistic that the city will be in a more positive situation for the 2004/05 budget process.

In response to questions from Councilman Littlefield, Mr. Clifford confirmed that the program cuts recommended by the Citizen's Budget Committee were not implemented in the currently proposed budget, although some of their revenue recommendations were adopted. Additional recommendations will be brought forward on June 16<sup>th</sup> with others to follow.

Councilwoman Lukas also thanked everyone involved in the budget process. She stated her belief that the city ended up with a workable, conservative budget, although the city faced very difficult choices with the goal of minimizing the impacts on residents. She stated her desire to move forward with additional bus shelters as soon as possible. She urged the city to study the transit program even closer for next year and get actively involved with the Transportation Commission on the issue.

Vice Mayor O'Hearn clarified that the Citizen's Budget Review Committee provided Council with critical information that would have been used had the propositions passed. He noted that the hundreds of hours the committee spent on compiling their recommendations were not ignored. He stated that some of the committee's suggestions were reviewed with some of the Citizen's Budget Review Committee's recommendations incorporated into the budget.

Councilman Ortega explained that the budget being considered tonight has been thoroughly reviewed. He noted that there are several enhancements that will be reviewed during the coming year. He stated that the city has made investments in the community and will continue to make investments moving into the new year. He thanked staff and citizens for their work on the budget and cost saving measures.

Mayor Manross also thanked the staff and citizens for their work during the budget process. She stated her belief that the proposed budget is a very responsible and conservative budget. She also hoped the city is in a better position to improve the transportation system in the next few years.

THE MOTION CARRIED 7/0.

### **Public Comment**

**Norwood Sisson**, 7431 E. Portland, explained that his requests for copies of public records have not been honored in a timely manner. He cautioned staff that he would file a complaint through the courts if he doesn't receive the requested information in a timely manner.

### **City Manager's Report - None**

### **Mayor and Council Items - None**

### **Adjournment**

With no further business to discuss, Mayor Manross adjourned the meeting at 6:25 P.M.

### **SUBMITTED BY:**

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**Ann Eyerly, Council Recorder**

### **REVIEWED BY:**

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**Sonia Robertson, City Clerk**

**C E R T I F I C A T E**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular City Council Meeting of the City Council of Scottsdale, Arizona held on the 2nd day of June 2003.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this \_\_\_\_\_ day of June 2003.

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**SONIA ROBERTSON**  
City Clerk